

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:374

ANSWERED ON:20.08.2004

NPA OF PUBLIC SECTOR BANKS

Nitish Kumar Shri ;Patil Shri Anna Saheb M.K.

Will the Minister of FINANCE be pleased to state:

- (a) whether huge amount of non-performing assets of public sector banks arise due to their policy of extending more loan to non-priority sector;
- (b) if so, the details thereof and the percentage of total loan given to priority and non-priority sector separately during the last three years;
- (c) the amount converted into NPA in the priority and non-priority sector loans;
- (d) the difficulties being faced by public sector banks to recover their NPA;
- (e) the details of the recoveries of NPAs by these banks during the last financial year;
- (f) the number of cases filed in the courts by public sector banks alongwith amount involved therein as on date;
- (g) the details of the loans against non performing written off assets by State Bank of India and other nationalised banks during the last financial year; and
- (h) the total amount written off during the past two years?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (h): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.374 FOR 20TH AUGUST 2004 REGARDING NPA OF PUBLIC SECTOR BANKS TABLED BY SHRI ANNASAHEB M.K. PATIL AND SHRI NITISH KUMAR

(a) to (c) No, Sir. Incidence of large amount of non-performing assets in public sector banks cannot be solely attributed to banks' policy of extending loan/s to any particular sector. NPAs accumulate due to various reasons, which are not sector specific. The details of advances and non-performing assets of public sector banks to priority and non-priority sector for the last three years ending March 2004 (latest available) is as under:

Year Advances Non-performing assets % of NPAs to Gross NPAs

	Priority Sector	Non-priority Sector	Priority Sector	Non-priority Sector	Priority Sector	Non-priority Sector
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March 2002	161186	309261	25139	31367	44.5	55.5
March 2003	190442	346596	24938	27869	47.2	52.8
March 2004	232456	388038	23840	26308	47.5	52.5

(d) There are various factors both external and internal which create difficulties in recovery of non-performing assets. These inter-alia include deficiency in credit appraisal and supervision, diversion of funds by the borrower, poor monitoring and followup by managements, litigation, natural calamities, wilful default in repayment, inefficient management of the unit financed, non-viability or sickness of the unit due to change in technology, demand pattern and policies etc., non-completion of project due to cost and time,

overruns and other factors, such as non-availability of raw materials, labour problems, natural calamities and delay in disposal by courts of suits filed by banks.

(e) Total recoveries effected by public sector banks (including compromise/write offs) increased from Rs.. 18730 crore on 31st March 2003 to Rs. 20705 crores on 31st March 2004.

(f) Public sector banks have 480078 suit filed cases involving Rs, 45652 crores.

(g) & (h) Bank-wise details of loans written off by each of the 27 public sector banks is at Annexure.

Annexure

Bank-wise details of Amounts written off

(Amount in Rs. crores)

S.No.	Name of the Bank	2002	2003
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1	Allahabad Bank	159.74	208.5
2	Andhra Bank	71.03	93.65
3	Bank of Baroda	424.53	456.77
4	Bank of India	556.11	535.7
5	Bank of Maharashtra	83.24	92.35
6	Canara Bank	415.41	112.24
7	Central Bank of India	257.38	418.22
8	Corporation Bank	88.89	16.15
9	Dena Bank	193.27	637.87
10	Indian Bank	153.65	57.1
11	Indian Overseas Bank	106.14	125.81
12	Oriental Bank of Commerce	Nil	4.97
13	Punjab & Sind Bank	6.85	55.32
14	Punjab National Bank	47.17	157.93
15	Syndicate Bank	13.45	42.32
16	UCO Bank	197.43	132.59
17	Union Bank of India	116.89	378.22
18	United Bank of India	329.79	2.23
19	Vijaya Bank	2.70	122.59
20	State Bank of India	2331.05	3939.93
21	State Bank of Bikaner & Jaipur	92.05	94.84
22	State Bank of Hyderabad	116.29	289.34
23	State Bank of Indore	80.88	110.57
24	State Bank of Mysore	64.11	129.99
25	State Bank of Patiala	154.29	175.29
26	State Bank of Saurashtra	99.18	98.69
27	State Bank of Travancore	100.18	81.65

Total	6261.70	8791.6
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